



## Irish Life Weekly Investment Bulletin

The week that was – WEEK 46 2018 (ending 16/11/2018)

**“If all the wild horsemen of the apocalypse came around the corner, Peter O'Mahony would charge straight back at them.” – Will Greenwood**

**Irish residential property prices rose by 8.2% y-o-y in September** – Latest figures from the CSO show that national level residential property prices increased by 8.2% year-on-year in September, with Dublin prices up by 5.8%, the Rest of Ireland by 10.8% and Mid-West region house prices showing the largest rise at 21.0%.

**Irish exports increase 11% y-o-y in September with imports up 28%** – Latest figures from the Central Statistics Office show value of goods exported for September 2018 showed an increase of 11% when compared with September 2017 (exports to Great Britain however fell by 5%) and imports increased 28%.

**Global stock market down 1.3% on the week** – The MSCI AC World TR Index showed a -1.26% return from 9th November to 16th November as the Brexit draft withdrawal treaty between the UK and EU seemed to bring turmoil, not relief. The Vix (Volatility Index) closed the week at 18.14, up slightly from 17.36 on 9th November.

**China said to be considering concessions to end U.S. trade row** – In advance of a planned meeting between China's Xi Jinping and himself later this month at the G20 summit, President Trump said that Chinese officials had sent him a list of 142 steps they were willing to take for a trade deal, which was “pretty complete.”

**UK turmoil in midst of Brexit withdrawal agreement draft with EU** – A draft Withdrawal Agreement on Brexit was finally agreed between the UK and EU but already it has been cast in considerable doubt in London with the resignation of Brexit Secretary Dominic Raab, as well as opposition from the DUP and many others.

**Italian government rejects EC demands to revise its budget** – The Italian government has defied the European Commission's request to revise their budget with Finance Minister Giovanni Tria saying it would keep to a deficit target of 2.4% and a growth forecast of 1.5%. Bond yields then rose to a three-week high.

**The Story of the week:** The Oxford Dictionary's word of the year for 2018 is “Toxic”. According to the dictionary, the word was first used in the 1600s. Its 2018 version has been most commonly used alongside “chemical,” followed in popularity by “masculinity.” The concept of toxic masculinity has been very much in the news this year with Harvey Weinstein and other stories. Other notable words that made the 2018 dictionary's shortlist included “gaslighting”, “incel” and “techlash”.

**DISCLOSURE:** Irish Life Investment Managers Limited is regulated by the Central Bank of Ireland. This document is intended as a general review of investment market conditions. It does not constitute investment advice and has not been prepared based on the financial needs or objectives of any particular person, and does not take account of the specific needs or circumstances of any person. The author cannot make a personal recommendation for any person and you should seek personal investment advice as to the suitability of any investment decision or strategy to your own needs and circumstances. Any comments on specific stocks are intended as an objective, independent view in relation to that stock generally, and not in relation to its suitability to any specific person. It is intended for the use of institutional and other professional investors. ILIM may manage investment funds which may have holdings in stocks commented on in this document. Past performance may not be a reliable guide to future performance. Investments may go down as well as up. Funds may be affected by changes in currency exchange rates.

# Index Performances and Market Data\*

<b>Equity and Bond Markets % (in Local Currency)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD (to 16/11)</b>
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	-0.7
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	-13.7
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	-5.2
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	-6.9
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	4.1
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	5.0
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-4.8
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	-10.2
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	-0.8
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
U.S.	3.0	2.2	2.2	2.4	2.4	3.1
German	1.9	0.5	0.6	0.2	0.4	0.4
UK	3.0	1.9	1.9	1.2	1.2	1.4
Japan	0.7	0.3	0.2	0.0	0.0	0.1
Ireland	3.4	1.3	1.1	0.7	0.7	1.0
Italy	4.1	2.1	1.6	1.8	2.0	3.5
Greece	8.2	9.6	7.9	7.1	4.1	4.5
Portugal	6.1	2.7	2.5	3.8	1.9	2.0
Spain	4.1	1.6	1.7	1.4	1.6	1.6
<b>Central Bank Rates (%)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.75
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	2.25
<b>Foreign Exchange Rates</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.14
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.89
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.28
<b>IPD All Property Return % (in Local Currency)</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018 YTD</b>
Ireland	12.3	36.1	25.1	12.6	8.1%	5.5% (To end of Q2)
U.K.	10.9	17.9	13.3	3.6	10.3%	3.7% (To end of Q2)
U.S.	11.6	11.5	12.5	7.7	7.1%	3.7% (To end of Q2)

\*Past performance is not a reliable guide to future performance and may fall as well as rise.